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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Letter dated 3 April 1996 from the Permanent Representative of the United Arab Emirates to the United Nations addressed to the Secretary-General

In my capacity as Chairman of the Arab Group for the month of April 1996, I have the honour to transmit herewith the report prepared by the Arab Administrative Development Organization entitled "Administration and development in the Arab countries" for submission to the General Assembly at its resumed session on public administration and development, in accordance with Assembly resolution 49/136 of 19 December 1994 (see annex).*

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 12.

(Signed) Mohamed Jassem SAMHAN
Ambassador
Permanent Representative
of the United Arab Emirates
to the United Nations

* The annex is being circulated in the languages of submission only.

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Public Administration and Development in the Arab Countries

Introduction:

This paper briefly surveys the experiences of Arab countries in the area of administration and development. It sets out the priorities for the region and describe the role of the Arab Organization for Administrative Development (ARADO). The paper concludes with recommendations for building effective partnerships. The paper also contributes a group of ten projects which respond to the needs of the region.

Past Experience:

1. Arab countries, members of the Arab League have been active in different ways in the past decade to improve the functions and services of their public administration. Administrative reform programs were launched in almost every country in the region with different approaches reflecting different conceptual foundations. There are those who reorganized individual ministries and there are those who considered the entire civil service but began with strengthening the central ministers and the management of public personnel. Some have looked upon reform as a major task of procedures simplification and improvement of service delivery in specific areas affecting the greater majority of the public. Still others have attempted to improve the legal environment for conducting government business and some have revamped certain codes to facilitate business-government relations and promote the private sector.

2. Administrative reform has therefore gained a new momentum to respond to the challenges of the new realities in economic life inside and outside the region. The new world economic and political order and the advocacy of free trade, and market, driven economies are introducing new rules. This dictates the review of laws and procedures that influence the investment and business environment. There is an active interaction between government agencies and the private sector. Joint public-private sector committees are established to give the private sector a stronger role in policy formulation and decision-making. This sense of interdependence creates a favorable environment which encourages private sector investment and growth.

3. Public finance management improvement was of major concern to some governments. Reform of the tax administration system concentrated principally on modifications in the tax rate and methods of tax collection; few have focussed on curbing bureaucratic inefficiencies in the administration of tax laws. Public finance management will remain an area where much work still needs to be done.

4. The same may be true to the area of administration of justice. Most countries suffer from serious backlogs in their judicial system due to internal inefficiencies, inadequate number of trained personnel, antiquated procedures and physical facilities and weak utilization of information management systems and alternative methods of dispute settlement, such as mediation and arbitration. There is still much to be done this area despite significant efforts by some governments, particularly for skills development and the use of computerized information systems.

5. In the delivery of social services, a number of countries have started programs to reduce poverty and offer better services to their needy segments of the population. Different approaches were developed to generate employment at the grass roots level with successful outreach programs using the services of active NGO's. Successful family planning programs were implemented and several non-formal education programs were organized for the same purpose. Micro enterprise development and cottage industries are being assisted by government agencies.

6. Some countries are also involved in reform programs aimed at improving the institutional relations between central and local government agencies. Governors of state provinces (governorates, wilayas) were given comprehensive powers by some governments for making development decisions to decentralize the process and facilitate the development and implementation of local projects to accelerate the rate of development.

7. Local governments in some Arab countries have established democratic decision-processes, some are guided by old cultural traditions for participation in local governance, others have introduced new approaches for the selection and appointment of governors and senior local officials. Where old local ties are feared to influence the decisions and behavior of senior staff, a system of rotation among civil servants has been introduced whereby careers in local or central government are interchangeable. Accountability for local government performance has been made explicit and the local begislative assemblies effect a high degree of control. However, more training specifically designed for local government officials is still needed if the process is to be sustainable.

8. Human resources development has been given attention by all governments of the region. Training institutions exist in every country to develop the skills of government officials, but they benefit the officials of central government more than others. There are specialized training institutions catering for top officials and special programs for leadership. There are also several centers for training entry and low level officials. The experience gained in this field is increasing the level of sophistication of training and the Arab training centers do cooperate among themselves to further develop their capacities and programs.

9. For policy analysis, review, monitoring and evaluation, a relatively new area for many countries of the region, significant efforts are being made by some governments. These have created decision support centers which collect important data on different aspects of economic, legal and social affairs. This is no insignificant trend, especially in the context of an oral culture which tended to consider national statistics only at the aggregate level and even as national secrets, by some.

10. Though still embryonic in some countries, decision support centers are playing an important role in civil governance and information networking. However, due to their recent experience, these centers have not yet played an equally significant role in policy analysis and evaluation. The priority of resource allocation is given to data collection, classification and dissemination. Staffing these centers with the required level of sophistication is being encouraged and staff is sent overseas for further training. Policy analysis remains an important activity in different universities and research centers.

11. In the delivery of social services, general progress has been made. Family planning and youth employment projects have been successful, so have projects for poverty reduction and eradication of illiteracy. There are numerous NGO's supporting the government efforts in this field. There are however, gaps in professional development activities and much is still to be learnt from best practices in the Arab region and elsewhere.

12. In the area of environment, there is only a beginning in terms of institutional arrangements, laws, regulations and general awareness. In some countries, NGO's for encouraging environment protection and public education were established to allow the civil society to support government agencies in this field. Revision of the laws related to environment protection and effective use of natural resources is an activity that is still wanting in some countries of the region. Coordination and cooperation among different institutions, in the context of clear environmental policy, is still lacking, in general.

Regional Needs and Priorities:

13. Despite significant efforts to improve public administration in the Arab region, there is strong need to develop, in each country, a vision for comprehensive institutional adjustment to achieve development objectives. Reform of economic policies and structural adjustment programs have, in many cases, taken the administrative capacity for granted. No purposeful strategy has been seen to twin economic reform with administrative reform. Such twinning is necessary if development programs are to be managed effectively. Piecemeal imporvements cannot achieve development objectives unless they are conceived and implemented in the context of a well-defined strategic plan, supported by strong political commitment at top level.

14. A priority for the countries of the region is to review their institutional structure and examine the functions of each unit to assess whether the functions accumulated throughout history are still valid and needed in the immediate and medium-term future. Major units of the bureaucracy create satellite and affiliated sub-units to perform specific tasks in response to a felt need. Such units create their own momentum and continue to exist way after the circumstances that led to their creation are long gone. In the absence of a tangible need for such units, they create work for themselves to survive, even at the cost of being duplicative, redundant and expensive. A weeding out process is necessary if organizations are to perform effectively and efficiently.

15. Such review should not be limited to the organizational structure and functions. There is equally a strong need for examining the rules and procedures regulating decision making and behavior. This is necessary to rejuvenate the functions of administrative units by ridding them of historical rules that are no longer suited for the present or the future. A third dimension of the review is the assessment of the suitability of the human and physical resources available for the functions and mission of the unit.

16. Skills and experiences may be updated through different training techniques and appropriate equipment should be made available to facilitate good performance. Such reviews are no small tasks, they need persistence and expertise that is culture-sensitive in order to develop acceptable and therefore, implementable solutions.

17. The development of **Strategic Decision Support Centers**, is another priority for many countries in the Arab region. Apart from the important task of data collection on all aspects of national life to

support the decision making process at strategic government levels, the role of policy review and analysis and the testing of a number of options and political and economic scenarios, is necessary. Such centers constitute the brain power of government; they should monitor policy implementation and impact to provide the necessary feedback to enrich the policy process.

18. The **reform of local government** administration is another priority area for the region. Needless to emphasize that decision making is more effective when it is closer to those who are affected by the decisions. Development at the grass roots level is more sustainable since it is more responsive. Local administration has not been given the same degree of attention as was given to the center and the capital city in almost all Arab countries. This is an area for much work to change and modernize the structure procedures, regulatory functions, public finance, social services, infrastructure and human resources development. Indeed, the entire issue of governance, at local levels, need thorough examination. Strong political commitment, evidenced by financial resources and clear policies, are necessary for this process to succeed. Continued neglect of local government administrative reform is detrimental to the development process.

19. Another priority area, from regional perspective, is the **review of the civil service personnel management system**. The human resources that manage development programs and maintain peace and order in the community must always be the core of attention for policy makers. The pay and incentive structures need to be seriously reviewed in some countries. The disparity between the total renumeration package and the cost of living, in a number of Arab countries, is so significant that it has given rise to blatant rent seeking and destruction of ethical standards.

20. Government administration is bloated with personnel in some countries The heavy weight of administrative personnel, makes government bureaucracies sluggish and ineffective. Regrettably, there is very little room for maneuver, given the level of economic development and growth rate in these countries. Few opportunities exist outside government to employ the masses that would have to be effectively removed from the government payroll, if administrative agencies are to be managed economically and effectively. The solutions for this problem are not easily implementable, short of social unrest, if done inappropriately. Strategic decisions must first be made to resolve the problems of numbers of civil service personnel. Training and skills development efforts may be wasted if the plethora of services and agencies persist and create real obstacles to development. This is a basic area, the very foundation for institutional adjustment and reform.

21. Related to this priority area, is the **management of the civil bureaucracy**. The machinery of government must be continuously monitored and well maintained to function efficiently. Sometimes it has to be re-engineered. In this respect, Arab countries need to strengthen and strongly support the **ministries of civil service** or those institutions responsible for managing the government bureaucracy.

22. The role of these institutions needs to change radically in some cases. In many cases they have been only the depositories of personnel files and guardians of the rules of service. They need to have a modern mandate. They should be entrusted with the mission of updating and reviewing the functioning of public agencies and setting performance standards in the delivery of services to the public. The traditional role

of managing the staff employment process remains valid, but the mandate should be significantly enlarged for the sustainable development of public agencies. This requires political commitment, availability of resources and the development of high expertise.

23. Another priority area is **public financial management**, including budgeting reform, tax and customs administration. Economic reform and structural adjustment programs, trade liberalization and the transition process from central planning to free market economy, have created new realities calling for change and adaptation. A new model of behavior is also required to move from a perception of control to that of facilitation and assistance. Rigid regulatory systems must be replaced by standard-setting and monitoring the adherence to those standards. Automation and modernization of equipment and the introduction of innovative ways of settling disputes are all elements of the required institutional adjustment.

24. The **reform of the administration of justice** is equally a priority for the Arab region. The need for modernizing the laws and for improving courts and records management, is very clear. Lengthy litigation processes are a major deterent to the flow of foreign investment. Investors must feel secure under transparent, consistent and speedy system for settlement of disputes. Reform in this area is pivotal for establishing a conducive environment for the promotion of private sector and economic growth.

25. **Rebuilding administrations after Civil Strife and managing peace** is a priorty activity for Lebanon, Somaila and the Palestine National Authority. The need is to rebuild and, in some cases, establish new institutions for central and local government andministration. This is a chance to establish a modern machinery of

government to manage development and creatively avoid whatever administrative and governance issues that may have contributed to or inflamed civil strife.

26. The enhancement of "**development culture**" is much needed. This is no fuzzy idea. Development cannot be expected to happen as a result of programs designed and implemented by government bureaucracies. Sharing information on development issues, programs and achievements, raises the public awareness and increases the government credibility in the public eye, and consequently increases the political capital of the government. Access to such information by the public, the NGO's, and the press is important to spread the gospel of development. Creating public fora for debate and expression of opinions, enhances the policy process, increases public participation and engages the beneficiaries in program design and implementation.

27. To these priority areas may be added the valuable recomendations that the Experts Group Report (E/1995/122) has conveyed to the UN member countries. They are worth the serious consideration of all countries. These recommendations and the priority areas identified above, may constitute a useful menu of projects for comprehensive administrative reform in support of sustainable development. A brief description of a sample of projects is included in this paper.

Role of the Arab Organization for Administrative Development

28. Since its creation in 1969 as a specialized agency of the Arab League, ARADO has provided advisory services to member states, organized conferences and training seminars and issued research reports, several publications and a journal on administration in the Arab World. ARADO has also prepared case studies and films in support of its own training activities as well as those of training institutions in the region. It conentrated on training the trainers and continues to support them through advice and training materials. ARADO's library has also served researchers and readers in the region.

29. The Organization has recently completed a thorough review of its mission and functions with a view to responding to the challenges of administration and development in the area of globalization, peace and security in the region and the requirements for sustainable economic and social development. It has benefited from past reviews, from the opinions of member governments and from experts in the field. The political support given to ARADO by all member countries will facilitate the implementation of its mandate.

30. ARADO conceives its role in the region in a similar manner as that of the UN Public Administration and Finance Program. The recommendations addressed by the Experts Group to the "Programme" and the UN in general, contain most of what ARADO plans to do in the Arab region. ARADO therefore, considers itself as **an extension of the UN "Programme" in the region;** it pledges to support and implement these recommendations with all the means available to it. ARADO also welcomes and endorses the Experts' recommdation to rename the "Programme" the UN Programme in Public Administration

and Development (A/50/525-E/1995/122; Appendix I.pg. 54, #4). ARADO also endorses the recommendions contained in the UN Secretary General's Report on the subject.

31. A significant new orientation for ARADO's mission and programs is the support for stronger linkages between government agencies and the private sector, to become the virtual engine of economic development and growth. Governments are making great efforts to facilitate the promotion of the private sector in all fields. Business leaders in the Arab region need new mechanisms for building an effective partnership with public agencies to smoothen the transition to market-led economies. ARADO plans to support these efforts by rejuvenating the roles of chambers of commerce, industry and agriculture and by assisting them in providing their members the needed services. ARADO also plans to establish an oppropriate forum to enhance government-business debate and cooperation for mutual benefit. Research activities will focus on issues of common concern and with important implications for public agencies and development.

32. Global trade and the international business environment impose a new culture with which ARADO intends to equip the Arab business manager. Increased knowledgae about international and regionl trade blocks, laws of competition, international trade agreements, sources of materials and equipment, is needed. ARADO plans to devote special attention and programs to respond to this need.

33. To promote public-private sectors interaction, ARADO plans to organize symposia and seminars around defined themes dealing with specific policies, laws and projects to bring these partners in development together to strengthen their communication and develop common understanding. In this respect, ARADO will work closely with

chambers of commerce and industry and with professional and trade associations to increase the relevance of its programs.

34. The Arab region has several Faculties of Commerce, but these do not produce the future manager. Educational programs have served careers in government agencies and the public sector, which controlled economic activities from central government perspective. The promotion of the private sector and the culture of entrepreneurship and business management need education and training programs of a different nature. ARADO is in the process of establishing the **Arab Institute for Strategic Management** to train practicing private sector managers and to provide consultancy services to business firms in the region. Also under preparation, are twinning arrangements with highly reputable institutions to support the Institute with quality control services, advice on curriculum and faculty development.

35. Like the UN Programme for Administration and Development, ARADO plans to strengthen its comparative analysis of reform experiences in the region and prepare reports and case studies to be shared among the member countries and facilitate the exchange of information within and outside the region. In this respect ARADO will also strengthen its efforts to establish cooperative programs with relevant institutions in the world to distill valuable lessons and share information on "best practices" and the context in which they are applicable. These would also be published in the form of "guidelines" or informal "administrative notes", to emulate success and avoid pitfalls. The institutional network it plans to widen will also allow for sharing expertise, wherever possible. ARADO will also increase, update and publish its list of experts.

36. ARADO will continue its training role for top officials and business managers. Training the trainers and improving the management and effectiveness of the training process in government and business insitutions will also continue. Basic to the success of these activities is the constant search for new techniques, modern equipment and successful design. Monitoring and assessing the impact of training programs will ensure the increased relevance of future activities.

Towards Improved Collaboration with International Institutions

37. Learning from past experiences in the Arab Region and others around the world to benefit future actions, and in view of the recommendations made by the group of Experts on Public Administration and Finance and the Report of the Secretary General (E/1955/122). ARADO makes the following recommendations to the august UN General Assembly.

38. **Technical Assistance and Building Effective Partnerships.** The design of technical assistance activities should aim at building effective collaboration with recipient organizations. TA should build institutional learning mechanisms to allow recipients to monitor progress, learn from experience and develop sustainable improvement plans to further the aims for which TA had been provided. Many good programs collapse when the TA staff leave at the end of a project. A key reason is the failure of TA staff to develop the self-learning capabilities that become systemic elements of sustainability.

39. To build effective partnerships, TA staff should endeavor to share their expertise with the recipients. Success and good achievement should be measured by the degree of transfer of expertise, and the practice of aquired skills and knowledge. Benchmarking for evaluating the effectiveness of TA should be a condition of contracts for the provision of TA services. Performance and remuneration should be measured accordingly.

40. **Technical Assistance and National Culture.** Effective partnerships require familiarity with and sensetiveness to the culture of recipients. Adequate preparation and orientation of TA staff should precede their field work. The recipient does not afford the time and cost to orient the TA staff in the field; they should come prepared to start operations without delay. Such preparation and orientation should not be at the cost of the recipient. The benefits of proper preparation need no defense; the impact of weak or no preparation is obvious.

41. **Technical Assistance and Capacity Building.** The design of TA activities should encompass the entire agency receiving foreign expertise. Indeed, beyond the very specific technological assistance in specialized fields, the more sustainable impact happens when the assistance gives due attention to building the capacity of the entire establishment and not restricted to one unit, to the neglect of others. Funding TA activities, regardless of their form or source, should be calculated on the basis of what is to be done to develop the institutional capacity. This assumes that during the TA needs assessment exercises, the entire institution had been taken into consideration.

42. **Technical Assistance and the Use of National Experts.** TA staff should not necessarily be exclusively foreign. Most developing countries are now endowed with highly educated professionals. Many

may have been educated in the same institutions where members of the foreign TA staff may have studied. Some national experts have also gained valuable experience working in foreign firms at home or overseas, and some may have taught in foreign universities. Therefore, there are obvious mutual benefits for foreign TA firms to utilize the expertise of national resources. Joint contracting should be encouraged, rather than sub-contracting; the financial benefits under the latter approach go to the foreign firm. TA funding institutions would further contribute to national capacity building if they allow adequate opportunities for employing local professionals side-by-side with expatriates.

43. **Role of the Recipients.** Success of technical assistance depends also on the degree of preparedness of the recipient institution. The recipient should ensure the availability of trainable local staff who can benefit from the expertise provided. Counterpart selection is important; beside linguistic skills, the counterpart should be familiar with the TA activities and the reasons why they are provided. The managers of TA activities should monitor the degree of learning that counterparts are achieving to measure the benefits received.

44. Besides the provision of logistic support to the TA staff, recipients should also ensure the timely availability of local counterpart funds needed for effective implementation of TA activities. Many experiences, both in the Arab region and elsewhere, have shown the loss of TA staff time and energy due to the unavailability of local funds for operation.

45. Indeed, as much as we recommend the consideration of the needs of the entire institution for capacity building, we also recommend that recipient institutions should inform and prepare their staff regarding the rationale for receiving TA, the activities to be performed and the requirements for their success. This would contribute to the building of effective partnerships for which those recommendations are made.

PROPOSED INSTITUTIONAL DEVELOPMENT PROJECTS

1. Building Strategic Capacity for Development Policy Management

Objectives:

a. Develop and maintain an effective system for policy analysis, monitoring and feedback to support the decision process.

b. Develop and keep updated viable data collection and analysis mechanisms in ministries and public agencies which network together and with the central decision support system in (a) for fast communication and policy implementation monitoring.

c. Endow the central and key decision centers in the executive, legislative and judicial institutions with analytical capacity in terms of staff, equipment and information systems.

Approach:

a. Review data collection, processing, storage, retrieval and dissemination systems in government agencies.

b. Analyze the institutional capacity for carrying out these tasks;

c. Analyze the skills profile of staff (technical and managerial) and assess their suitability to carry the policy analysis and information systems management tasks, with a view to determining their training needs.

d. Keep the top level of government leadership continuously informed of progress of diagnostic stage, obtain their comments and enlist their support.

e. Formulate action plans for institution building / development in this area, and include the needs for physical facilities and equipment. Provide details of financial inputs required to implement the proposed action plans.

f. Prepare staffing and training plans to produce the required staff profile and detail the financial support required.

g. With top level political commitment, implementation may first focus on central / cabinet level. Individual ministries, agencies and local government institutions, may be gradually included in the project.

2. Rationalizing Bureaucratic Structure

Objectives: Streamline the decision process, thin out bloated bureaucratic structure, avoid duplication in the functions and roles of various government units.

Approach: The project would concentrate first on the core economic ministries and agencies. In the second phase, the analysis would focus on ministries dealing with one field of government activities, such as "social service", "education", "trade", and "public health".

A team of experts will work closely with a counterpart team in each agency to carry out the analytic tasks. The joint team would examine all legal documents pertaining to the mission, functions, organizational structure and decision processes within the departments and agencies of each ministry. This analysis will be complemented and compared with the results of thorough and extensive interviews with:

a) Senior and top officials of the unit concerned;

b) at a lesser degree of intensity, with middle and lower ranks and with an appropriate sample of the beneficiaries and the public using the services of that unit. The analysis would also cover all other units of government and public / private sector institutions that deal with the unit being examined. The results of such analysis would be compared with those of other units and would lead to the formulation of recommendations regarding the structure and operation of different agencies.

3. Performance Management and Accountability in Government

Objectives: Institutionalize and strengthen the concepts and systems of performance management and accountability in government agencies.

Approach:

a. Review current system of performance evaluation both at the human and institutional levels.

b. Define current concepts and practices of accountablity.

c. Assess the political commitment for change to decide on the piorities, focus and means of effecting change.

d. Assess the degree of willingness, at the operational level, for changing the status quo in favor of modern system of performance management and accomtability.

e. On the basis of analysis of both the political and operational level, formulate feasible plans to introduce and institutionalize the new concepts.

f. Training at different levels will be necessary to elucidate the concepts of performance and accountability.

g. The operational implications of these concepts and the consepment changes that will be needed, have to be instilled in the mind of the legislative and executive levels. In some instatnces, comprehensive changes may be required. Sensetivity to the administrative outline will help determine the scope and extant of these changes.

4. Government Institutional Networking with the Private Sector

Objectives: Foster institutional linkages with the private sector to improve the decision making process, promote private sector contribution to economic development and increase government responsiveness to the needs of private enterprises.

Approach: a. Review existing linkages between government agencies and private business, both in terms of regulatory functions and opinion seeking in support of the policy process.

b. Analyze the legal and institutional framework in which such linkages exist. Analyze also their scope and extent of coverage in terms of sectors and geographic location. The instrumentality of the linkages is included in the analysis.

c. Determine the perception of government institutions of the roles of private business and professional associations, chambers of commerce, and other civic associations and NGO's, in support of development plans. Determine also the perception of these entities of the government regulatory and policy roles in the economic and social order.

d. Prepare a diagnostic report and share it among key representatives of government and the private sector

institutions. Include in the report a tentative plan of action to effect, support and promote the linkages between government and private business institutions.

e. Discuss the report and the tentative plan in the appropriate forum, given the cultural and political sensitivity to such discussion, in some cases.

f. The reactions to the report by representatives of the government and private sector institutions are then carefully analyzed to determine the actions needed on each side to establish and strengthen the networking and mutual support methods and instrumentalities for effective cooperation in support of development. Models of such networks in different parts of the world are useful examples to consider, when no such networks exist in the project country.

5. Institutional Development in Social Safety Nets

Objectives: The process of structural adjustment and economic reform should be institutionalized to become a natural characteristic of the national economic order. The social safety nets established to absorb the shocks of privatization and the transition to market economy and free trade, have proven to be successful instruments of social policy and economic development. They have been used to finance private projects at the small and micro levels, reduce poverty through job creation and training and increase interaction with the needy segments of the population. The principal objective of the project is to make these social safety nets a permanent and effective instrument of government social and economic policies.

Approach: a. Evaluate the performance of these institutions through analysis of their programs and plans, compared with results achieved.

b. Seek the opinion of a wide sample of beneficiaries to determine the degree of efficiency and effectiveness of the institution.

c. Analyze internal administrative policies and procedures, decision support system organizational structure, human resources skills and knowledge, and determine the suitability of these elements for successful institutional performance.

d. Determine variances between opinions of beneficiaries, those of the social safety net staff and official reports. Determine where gaps exist and the reasons that led to them.

e. Determine the degree of duplication, if any, of the functions and services provided by the safety net with similar services provided by other units of governments social policy institutions.

f. Propose action plans to strengthen the safety net, increase its effectiveness and efficiency, avoid possible duplication with others and prepare for the institutionalization of such safety nets to become a regular component in the national economic and social development strategy.

6. Rebuilding the Bureaucracy to Manage Peace

Objectives: Establish a viable apparatus to manage development at the end of conflicts, build confidence and deliver public services.

Approach:

a. Assist the legitimate authority to define the priorities of national action. Nation rebuilding team should be established and endowed with proper authority to make decisions and act with confidence.

b. Reconstitute the core ministries for economic management, public health, education, national security, justice and social services. Begin with modest programs that are manageable within present financial and human resources constraints. This is an opportunity for fresh start avoiding problems that may have delayed development or caused conflicts in the past.

c. Establish a unit for decision support through data collection, review of past legislations, examination of past policies and the provision of central advisory services.

d. Establish new policies and procedures for public finance management, for audit and accountability.

e. Reconstitute local administration to revitalize economic life, maintain order and justice and provide social services.

f. Restore productive capacity through repair of existing facilities and the acquisition of new ones. Infrastructure projects should attract private sector participation.

e. Enlist the support of the private sector to revitalize economic life and facilitate trade and investment.

g. Rebuild the human resources through education and training programs.

h. Enlist the support of friendly countries to obtain expertise and funds for reconstruction.

7. Capacity Building for Local Government Administration

Objectives: Reform and revitalize local government machinery to effectively manage development, maintain security and order, administer justice and provide social services.

Approach:

a. Central government leadership, political, legislative and executive, should be committed to a declared policy of deconcentration of decision making and governance. Legislative instruments and executive orders should form the legal foundation for this policy and empower the local government bodies to take initiatives, act and assume the responsibilities of managing local government affairs.

b. Establish local legislative system and clearly define the roles of the different bodies of local governance.

c. Establish a system of public finance, at local levels, and define the rules for obtaining central government funds to support local projects.

d. Review the structure and administrative practices of local government units to recommend possible changes to improve the system.

e. Assess training needs for local government staff and develop training programs and activities to meet those needs.

f. Design local government programs to rekindle the creative capacity and initiative-taking for local population and enlist their active participation in local development projects.

g. Promote private sector investment through the development of an enabling environment. This may require partial or comprehensive overhaul of existing legislations and administrative procedures.

h. Review and modernize the system of dispute settlement. Utilize culturally - based methods of maintaining social peace.

j. Define the system of accountability for local administrative performance, vis à vis the local population and the central government.

k. Renew and develop staff skills through education and training programs. Local government personnel management laws and procedures may need to be updated to facilitate good performance.

8. Capacity Building in Administrative Development Units

Objectives: a. Enable the administrative development units in central and local government to be effective maintenance and modernization engineers of the government administrative machinery.

b. Where administrative development units do not exist, create the capacity for continuously reviewing and improving administrative performance at institutional and personnel levels.

Approach: a. Basic to capacity building efforts for increasing the effectiveness of administrative development units and programs, is the political commitment and coviction at highest levels that such units have a legitimate and needed role to perform. These units should be conceived as the brain of administrative set up and the conscience of the administrative body. Therefore, the first step in the capacity building project, is to ensure the existence of such commitment and conviction. Where this is weak, it is necessary to develop it through persuasion and provision of successful examples where such units have been effective.

b. Assuming that political commitment exists, the project would review existing arrangements for the functioning of administrative development units. It is

necessary to analyze their capacity to function, in terms of their location in the organization structure; their organizational affiliation; their distance from key decision centers; their legal foundation and degree of empowerment; their staff capacity; their budget; their tools of operation and above all, the degree of political support they receive and the responsiveness of the administration to their recommendations and different activities.

c. This diagnostic exercise will set the stage for recommending specific policies and programs for increasing the effectiveness of administrative development units.

d. The government response to the recommendations will be an indication of the degree of their commitment to administrative reform. Implementation plans will be influenced by and based on the degree of such commitment and therefore, on the resources that will be made available for successful implementation.

9- Improving Sector Management

Objectives: Strengthen and build capacity for managing sector development programs. This is applicable to individual sector but may involve different ministries, government agencies and local government authorities. Several projects may be developed, each focusing on one sector.

Approach: a. Survey all government units involved in the sector for which the project is prepared. The output of the survey will indicate their respective roles, degree of involvement and their organizational and geographical location.

b. In-depth analysis will be made for each unit involved in the sector to identify: their structure, roles, activities, decisions and decision support system, administrative procedures, beneficiaries of their services, financial and human resources, methods of service delivery.

c. During the diagnostic phase of the project, issues impeding the effectiveness of each unit will be identified. The staff will be a valuable source of information; so will the beneficiaries. The causes of the issues should be clearly spelled out. These may relate to policy coordination, loosely defined mandate, possible duplication, contradiction, bottlenecks in program implementation, difficulty for beneficiaries to obtain the required services, lack of knowledge by the

targeted beneficiaries of the availability of the services, tight budget resources, inadequate staff resources, both in terms of quantity and quality, insufficient data resources, antiquated equipment and work methods, among others.

d. Each of the issues identified and knowledge of their causes, may require a different response. Remedial programs to be recommended should address particular issues.

e. Assuming unwavering political commitment for sectoral reform, all proposals must be discussed among the stakeholders to build common understanding and consensus on recommendations to be endorsed or modified.

f. Endorsed recommendations become the subjects of implementable action plans with specific outputs and monitorable target delivery schedule.

10- Strengthening Central Control Agencies

Objectives: Increase the effectiveness of control agencies as key institutions of accountability for public funds, efficiency and effectiveness of delivery, ethical conduct and strict implementation of laws and regulations. Agencies of public audit and administrative control are key institutions of governance; their existence is necessary as guardians of the rule of law in administration and accountability for decisions and behavior in public agencies. Their effective performance as a model for other agencies is the principal objective of this project.

Approach:

a. Analyze the roles, functions and work procedures of these organizations and stress the suitability of their structures, staffing and physical resources for effective delivery of their mandate.

b. Review the legal instruments defining their mandate and measure the adequacy of such mandate for fulfilling the expectations of the public and legislative bodies with respect to their guardianship role in a democratic society.

c. Measure also the suitability of the mandate for supporting and promoting the new roles of government in the social and economic order, in an era of transition from centrally guided economy to free trade and market mechanisms.

d. Assess the effectiveness of these institutions as measured by: organizational affiliation; position and rank of their leaders; degree of autonomy from political interference; what shields them against political pressures; to whom are their reports submitted; what action has been taken as a result of their audit and recommendations; degree of enforcement of their decisions.

f. Define issues impeding or reducing the effectiveness of their performance and analyze their causes.

g. Seek the organization's views of the issues identified and their causes. Ensure a common agreement on the causes and the possible remedies they think are feasible; understand their rationale.

h. Prepare actions plans to address the issues upon which there is common agreement. Seek the support of political leadership and ensure that political and cultural sensitivities have been taken into consideration in designing and implementing the action plans.